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# FINANCIAL RESEARCH

- Hypothesis is proven over time:
- Make decisions using incomplete information in a complex and competitive environment: this is typical of real world decisions
- Our Research is kept quiet and not published
- Being Right for the Wrong Reasons
- Being Wrong for the Right Reasons

*\*Investment Recommendations may not be appropriate for all individuals based on risk tolerance & liability concerns*

Our overriding goal is to outperform the market on an risk adjusted basis. Our secondary and individual goals seek out undervalued securities using professional research tools and unbiased critical analysis. While research is performed independently, all investments require collective decision making and teamwork.

## OUR RESEARCH METHODS

- Bloomberg Screener
- Price to Earnings Models
- Free Cash Flow Models
- Technical Analysis
- Price Chart Comparisons
- SEC filings
- Company Earning Conference Calls

## SOME OF OUR RESOURCES

- Securities and Exchange Commission Filings
- Qchart Software-provides real time pricing and transaction data on over15,000 securities
- Company Conference Calls
- Center for Financial Research and Analysis
- Valueline
- Morningstar
- Stock Message Boards
- Employee Relations ~Glassdoor.com
- Supply Chain Analysis
- Revenue Streams
- Financial Statement Analysis
- Financial Ratios
  - Book Value Per Share
  - Cost of Goods Sold
  - Asset Turnover
  - Return on Assets %

## EXAMPLES OF RESEARCH METHODS AND TOOLS

## Screening Criteria

Screening metrics use creative criteria consistent with one's personal beliefs.

Selected Screening Criteria	Matches
4) Current Market Cap >= 500 Million	2166 @ 100%
5) Total Buy Recommendations > Total Sell Recommendations	1638 @
6) Total Buy Recommendations > Total Hold Recommendations	1135 @
7) T12M Basic Earnings per Share 12 quarters ago > T12M Basic Earnings per Share 16 q	349 @ 100%
8) T12M Basic Earnings per Share 8 quarters ago > T12M Basic Earnings per Share 12 q	252 @ 100%
9) T12M Basic Earnings per Share 4 quarters ago > T12M Basic Earnings per Share 8 qu	180 @ 100%
10) T12M Basic Earnings per Share > T12M Basic Earnings per Share 4 quarters ago	110 @ 100%
11) 9F12M Best EPS > T12M Basic Earnings per Share	92 @ 100%
12) LP Profit Margin > Latest Quarterly Trailing 12M Profit Margin	54 @
13) Bloomberg Issuer Default Risk > "1G7"	42 @
14) 1 Month Alpha >= 0.01	25 @ 100%

## Screening Results

[illegible]

## RESULTS

[illegible]

EXHIBIT 2

## Student Investment Fund Current Holdings

Company Ticker:	HXL	CYT
Current price	27.20	73.02
Current EPS	1.56	4.79
Current P/E	17.44	15.24
Most Recent Div. (Qtr)	0.00	0.13
Current yield	0.00	0.01
Current market P/E	14.92	14.92
Current relative P/E	1.17	1.02
EPS Forecast	1.76	4.83
Market P/E - Forecast	15.00	15.00
Rel. P/E - Forecast	1.15	1.16
Estimated price	30.36	84.04
Expected Return w/out Div.	0.12	0.15
Dividend yield	0.00	0.01
Expected Return	0.12	0.16
Expected Future Value	30.36	84.04
Expected upside	11.62%	15.81%

Company	Yield	Symbol	Yield
Current price	27.22		
Current (EPS 1.42 Qtrs)	15.62		
Current Dividend	1.42		
Most Recent Dividend (Qtr)	0.00		
Current Dividend Yield	0.00%		
Current Market P/E	14.50		
Current Market P/E	5.17		
	Best Case	Most Likely	Worst Case
EPS - Forecast: At Least 1 Year Out	1.58	1.58	1.58
Market Price - Forecast	15.00	15.00	15.00
EPS - Forecast	1.00	1.00	1.00
Market Price - Forecast	26.25	26.25	26.25
Expected Return without Dividends	25.74%	11.60%	12.04%
Expected Return with Dividends	0.00%	0.00%	0.00%
Expected Return with Dividends	25.74%	11.60%	12.04%
Probability of Ruin	-0.0%	0.0%	0.0%
Expected Future Price Probability Weighted	27.21		
Expected Future Probability Weighted EPS	3.29%		
Expected Future Price using FCPE	48.40	34.60	19.4
Expected Future Price using FCPE	0.60%	27.20%	28.3%
FCPE Model: Expected Future Price	\$	33.30	
FCPE Model: Expected Future Price	\$	25.40	
FCPE Model: Expected Future Price	\$	33.30	
FCPE Model: Expected Future Price	\$	25.40	
Valuation Model Rating	FCPE Model	FCPE Model	Total
	500	500	1000
Expected Price Allocated Here to FCPE Models	\$	31.50	
Expected Return: Based Here to FCPE Models		15.82%	

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Price to earnings ratios are used to forecast future upside potentials.



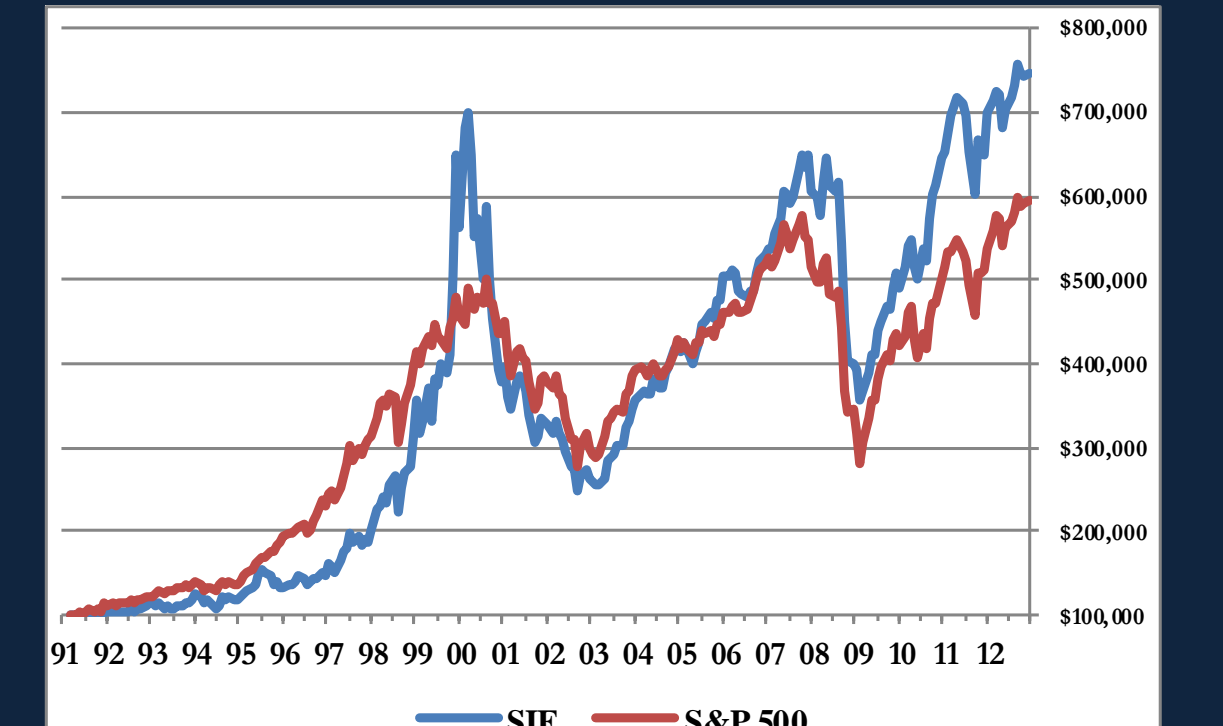
Free Cash Flows models are used to to gain additional information about the upside and growth potential of a security.



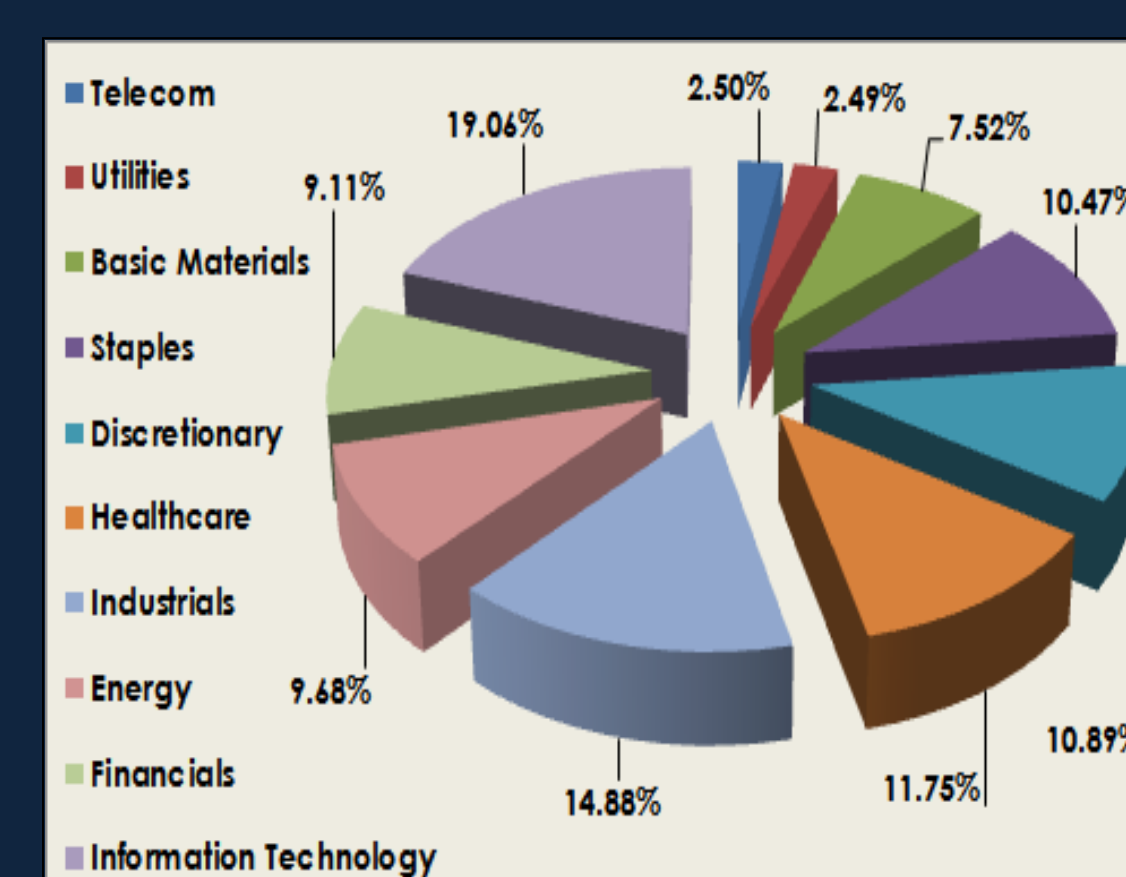
Moving Average Convergence/Divergence graphs help identify changes in the strength, direction, momentum, and duration of a trend in a stock's price.

Performance through 12/31/12	UAF Student Investment Fund	Large Stocks S&P 500	Small Stocks Russell 2000
<b>1 Year</b>	15.54%	16.00%	16.34%
<b>2 Year</b>	7.74%	8.84%	5.71%
<b>3 Year</b>	13.77%	10.87%	11.45%
<b>4 Year</b>	16.83%	14.58%	14.89%
<b>5 Year</b>	2.84%	1.66%	2.65%
<b>10 Year</b>	10.98%	7.10%	9.24%
<b>Since Inception</b>	9.62%	7.96%	*

\* Russell 2000 index data is not available



## Student Investment Fund Portfolio Performance Comparison to S&P 500



## Student Investment Fund Portfolio Industry Weightings

Best Performers			
Company Name	Ticker	Return Since Purchase	Average Daily Return
Gilead Sciences Inc	GILD	153.7%	0.29%
Life Technologies Corp	LIFE	87.4%	0.17%
Abbvie Inc	ABBV	62.2%	0.08%
Jarden Corp	JAH	59.8%	0.16%

## Student Investment Fund Best Performing Securities Historically

*A Very Special Thanks To:*

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